

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1172

SPONSOR: Transportation Committee and Senator Peaden

SUBJECT: Service Charge/Increases

DATE: April 20, 2004

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Davis</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/CS</u>
2.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
3.	_____	_____	<u>ATD</u>	<u>Withdrawn</u>
4.	<u>Weaver</u>	<u>Coburn</u>	<u>AP</u>	<u>Favorable</u>
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

CS for SB 1172 increases the service charge for processing an application for the issuance, duplication, or transfer of a title certificate from \$4.25 to \$7.00. The CS also increases the service charge for processing an application for original issuance, duplicate issuance, or transfer of any license plate, mobile home sticker, or validation sticker or with transfer or duplicate issuance of any registration certificate from \$2.50 to \$3.00.

This CS substantially amends ss. 319.32 and 320.04 of the Florida Statutes.

## II. Present Situation:

Local tax collectors act as agents of the Department of Highway Safety and Motor Vehicles (DHSMV) for the purposes of handling applications for the issuance, duplication or transfer of certificates of motor vehicle title, license plates, mobile home stickers, and registration stickers. Although the DHSMV handles a small number of these transactions, the majority are handled locally by the tax collectors. The law provides for a service charge to be retained by the entity handling these transactions. The assessment of a service charge is authorized in the following sections of the Florida Statutes:

Section 319.32(2)(a), F.S., establishes a service charge of \$4.25 for each application handled in connection with the issuance, duplication, or transfer of any certificate of title.

Section 320.04(1)(a), F.S., establishes a service charge of \$2.50 for each application handled in connection with original issuance, duplicate issuance, or transfer of any license plate, mobile home sticker, or validation sticker or with transfer or duplicate issuance of any registration certificate.

These service charges have not been raised since 1985, and according to representatives of the tax collectors office, employee, equipment and administrative costs have increased substantially over the last nineteen years. These cost increases result from locally mandated salary increases, increases in the costs of providing benefits, worker's compensation and liability costs, increased costs of leasing office space, and increased postage costs. In addition, new duties are required of tax collectors, including anti-terrorism initiatives to combat fraud, which require additional steps in each title or registration transaction. Where the service charges are insufficient to cover the tax collector's administrative costs of acting as the state's agent, local resources must be used. These amounts have not been adjusted to reflect the actual administrative cost of the work since 1985 (See ss. 1 and 2, 85-324 L.O.F.).

### **III. Effect of Proposed Changes:**

**Section 1** amends s. 319.32(2)(a), F.S., to increase the \$4.25 service charge for applications handled in connection with the issuance, duplication, or transfer of a title certificate to \$7.00.

**Section 2** amends s. 320.04(1)(a), F.S., to increase the \$2.50 service charge for applications handled in connection with original issuance, duplicate issuance, or transfer of license plates, mobile home stickers, or validation stickers or with transfer or duplicate issuance of registration certificates to \$3.00.

**Section 3** provides a July 1, 2004 effective date.

### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

### **V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

The Revenue Estimating Conference estimates the increase in service charges will generate the following amounts on a recurring basis: \$24.1 million for the local tax collectors; \$0.1 million for the General Revenue Fund; and \$0.1 million for the Highway Safety Operating Trust Fund.

**B. Private Sector Impact:**

Persons requesting motor vehicle title, license and registration transactions will pay more for this service. The service charge for a title transaction will increase by \$2.75 and the service charge for a registration transaction will increase by \$.50.

**C. Government Sector Impact:**

Implementation of the provisions in this CS will require revisions to DHSMV forms and procedures, and computer programming modifications which would be absorbed with in existing resources.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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